



Retirement Investors' Club (RIC)
457/401a Plans
 Look forward to retirement!

Shelby County
Plan Summary

| | 457 Employee Contribution Plan | 401(a) Plan |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility requirements | Regular employees working 20+ hours/week | 457 participation |
| Enrollment | Year-round – Call an RIC provider to request an enrollment kit or appointment. Return completed paperwork to the provider. | |
| Contributions | Minimum pretax and/or post-tax Roth payroll deductions of \$25/month; annual maximum limits set by IRS annually . Deductions may be changed at any time. A 3-Year Catch-Up benefit is available to qualified participants who are 4 years from normal retirement. | Employer match contributions for 457 contributions as follows: <ul style="list-style-type: none">• Union employee-100% on \$1,250 of employee contributions annually• Non-union employee-100% on \$1,300 of employee contributions annually |
| Rollovers in | Accepts eligible 457 plan assets. Roll-in assets may roll out at any time. | Accepts eligible 401(a), 401(k), 403(a), 403(b), and IRA (traditional, rollover, and SEP) assets. Roll-in assets may roll out again at any time. |
| Fed & state tax | Pretax contributions and earnings are exempt until taxable distributions are made. Post-tax (457 Roth) <i>contributions</i> are subject to federal and state income tax when deducted from payroll. Post-tax (457 Roth) <i>earnings</i> accumulate tax-deferred and are tax-free at distribution if qualified. | |
| Vesting | Always 100% vested ⇨ | |
| Investment options | A large selection of diversified investment options is available through RIC. You may change your investment selections online or by phone. There are no fees for moving money between RIC investments. (go to https://das.iowa.gov/RIC/PSE/providers for more information) | |
| Distributions of assets while employed (processed by RIC) | Unforeseeable Emergency- Must prove financial hardship due to an unforeseeable emergency (complete <i>RIC Unforeseeable Emergency Form</i>). Taxed as ordinary income-no age penalty. | None |
| | Cash Out Provision- Allowed if total assets=\$5,000 or less and no deferrals have been made for a 2-year period (complete <i>RIC Distribution Form</i>). Taxed as ordinary income-no age penalty. | |
| | Service Credit Purchase- A nontaxable transfer of pretax assets for purchase of permissive service credits such as IPERS (fax IPERS forms to RIC) | |
| | Age 70 ½- Allowed (but not required) in the year you attain age 70 ½ ⇨ | |
| Options after separation from employment (processed by provider) | Remain invested- Distributions are not required until age 70 ½*. Assets remain invested without withdrawal restrictions or penalties. | |
| | Take payment- Options include total/partial lump sum withdrawals, periodic withdrawals, lifetime payments, or a combination. Pretax assets are taxed as ordinary income-no age penalty. Roth contributions are tax-free. Roth earnings are tax-free if qualified (account has been held for at least 5 years and you are either age 59 ½ or older, disabled, or deceased). | Take payment- Options include total/partial lump sum withdrawal(s), systematic withdrawals, lifetime payments or any combination. Distributions are taxed as ordinary income and reported on IRS 1099R form. Possible IRS 10% penalty before age 59½. |
| | Rollover- Assets may roll out of RIC to an eligible plan. | |
| | Service Credit Purchase - Pretax assets may be transferred to IPERS for purchase of eligible service credits at any time after separation from employment. | |

*Age 70 ½ requirement- IRS required minimum distributions must begin no later than April of the calendar year following the year you attain age 70½ or retire, whichever is later.